



**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL AND THE COUNCIL
SITTING AS THE REDEVELOPMENT AGENCY BOARD, AND THE PUBLIC FINANCE
BOARD**

**Council Chamber in City Hall
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234**

WEDNESDAY, JUNE 8th, 2005

The Regular meeting of the City Council, also sitting as the Redevelopment Agency Board, and the Public Finance Board, was called to order by Mayor DeRosa in the Council Chambers on June 8, 2005 at 3:06 p.m.

ROLL CALL:

Present: Council Members/RDA Board Members, Public Finance Board Members: England, Marchand, Vasquez, Mayor Pro Tem/RDA Vice Chairman/Public Finance Vice Chairman Pettis, Mayor/RDA Chairman/Public Finance Chairman DeRosa

Absent: None

The regular meeting began at 6:39 p.m. and was opened by Mayor DeRosa. Dr. Sharon Stroud from Interfaith Ministries, Palm Springs, gave the invocation.

The Pledge of Allegiance was led by Mayor Pro Tem Pettis.

CLOSED SESSION AGENDA:

1. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION pursuant to Government Code Section 54956.9, Subd. (b)
Number of Potential Cases: 1
2. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6
Agency Negotiator: Donald Bradley, City Manager
Represented Employees: 1) Cathedral City Police Fire Management Association (CCPFMA); 2) American Federation of State, County and Municipal Employees.

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3. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, Subd. (k):
Case Name: Glenn Haas, Jeff Miller, Brian Hirzel and Cathedral City Police Officers Association vs. Cathedral City; Cathedral City Police Department; Stan Henry, Chief of Police; John Holcomb, Captain; Gregory J. Savelli, Lieutenant; Sandra Hatfield, Dispatch Supervisor, et al.
Case No.: United States District Court, Central District of California Case No. EDCV 02-965
4. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, Subd. (k):
Case Name: Scott Sharpe, Mark Fields, Rudy Salinas, Jay Horn, Karl Murashima, Owen Krings, Brian Hirzel, Albert Ruiz, Steve Williams, Paul Reindel, Glenn Haas, Nick Chapman, Gabriel Mendoza, Kelly Nava, Danny Anes, Dane Dickson, Mark Novy, Larry San Filipino, Jeremy Herrick, Ernie Vasquez, Tom Ferguson, Jon Enos, John Fox, Andy Diaz, Albert Ochoa, Dewayne Hodge vs. City of Cathedral City, a municipal corporation; Stan Henry, Chief of Police; Captain John Holcomb, Captain Kevin Conner and Lieutenant Al Reshaw in their individual capacity, and DOES 1 through 10, Inclusive
Case No.: United States District Court, Central District of California Case No. CV 04 02931 (VBKx) Complaint for Damages and Injunctive Relief Demand for Jury Trial
5. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, Subd. (k):
Case Name: Safirstein vs. City of Cathedral City
Case No.: Riverside County Superior Court, Indio Branch Case No. INC039771
6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Paul Shillcock**)
Property Location: East of Van Fleet Avenue, South of East Palm Canyon Drive; APN #'s 687-207-005 (Sousa) and 687-223-016 (Sanchez); and 687-223-007 (Ruiz)
Negotiating Parties: Redevelopment Agency and BCN Developments, Inc.
Property Owners: Martin Sousa, et al; Jorge & Maria Sanchez and Jose Ruiz
Under Negotiation: Disposition of Property
7. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (**Paul Shillcock**)

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Property Location: North and west of the intersection of Perez Road and Campbell Street
APN# 687-322-015 and 687-071-013
Negotiating Parties: Redevelopment Agency and Palm Springs Nissan
Property Owners: Terry L. Butts and Myles E. Bois
Under Negotiation: Extension of Memorandum of Understanding

8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Paul Shillcock**)

Property Location: APN# 687-030-075, 076 and 076
Negotiating Parties: Redevelopment Agency and Don Stewart
Property Owners: Jessup Auto Plaza and Tramview Land Company
Under Negotiation: Disposition of Property

9. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Warren Bradshaw**)

Property Location: 68623 D Street
APN# 687-231-014
Negotiating Parties: Cathedral City Redevelopment Agency and Darlene Palleschi Trust, et al
Property Owner: Darlene Palleschi Trust, et al
Under Negotiation: Property Acquisition

10. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Warren Bradshaw**)

Property Location: 67265 Mission Drive
APN# 677-393-003
Negotiating Parties: Cathedral City Redevelopment Agency and Gregory O. Holta
Property Owner: Cathedral City Redevelopment Agency
Under Negotiation: Property Disposition

11. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Warren Bradshaw**)

Property Location: 68575 E Street
APN# 687-233-008
Negotiating Parties: Cathedral City Redevelopment Agency and Gary Howell as Realtor
Property Owner: Cathedral City Redevelopment Agency
Under Negotiation: Property Disposition

12. PUBLIC EMPLOYEE APPOINTMENT pursuant to Government Code Section 54957

Title: Redevelopment Director

CLOSED SESSION ANNOUNCEMENTS

City Attorney Charles Green announced that there was one Closed Session announcement, however, it relates to an agenda item, and he would like to defer until that item is called.

Mayor DeRosa announced that we have a Spanish Translator in the audience, if any one needed translation services. Mayor Pro Tem Pettis asked the translator to address the audience in Spanish which she did.

Mayor DeRosa requested the Item 10 be moved forward on the Agenda so that the ballots could be counted, allowing for continuation of the rest of the meeting. There was no objection to this change.

PUBLIC HEARING

10. Conduct a public hearing and tabulate ballots to determine if a majority of voting property owners wish to proceed with the formation of the proposed Cove Improvement District No. 2004-02, adopt resolution of the City Council for the City of Cathedral City, adopting the Engineer's Report, confirming the assessment, ordering the improvements and directing related actions thereto.

Mayor DeRosa gave some instructions to the Public about what would be happening during this portion of the meeting. The Mayor advised that ballots could be cast until the close of this Public Hearing. She called again for anyone who might wish to cast their ballot.

Hearing no requests from Council, Mayor DeRosa opened Public Comments.

St. Clair Adams – Cathedral City. Mr. Adams spoke of his admiration for the Council and its leadership and hoped that the committee will continue to work on this project until it is completed. Lets see that we get some extra money into this project.

Dennis Sperling – Cathedral City. My biggest concern with this project is that you have stated you will take the grant money if this project doesn't pass. Mayor DeRosa asked Mr. Sperling to show the document he was talking about to Deputy City Manager Julie Baumer. Mr. Sperling expressed his feeling about what should happen to the grant money if this item doesn't pass tonight.

Ken Owens – Cathedral City. Expressed his interpretation of the grant money for specific areas of the cove, and not the entire cove. Also he is concerned that they will have to wait too long to get all the work done, and wishes we reconsider how the work will happen.

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Mr. Bayne, City Engineer, took a few moments to speak of this project and wanted to introduce the many people who have worked on this assessment district.

Hearing no further comments Mayor DeRosa once again asked if there were any more ballots that needed to be turned. She also commented that she had spoke today with Mary Bono's office again about seeking additional funding for the project.

Joanna Pope – Cathedral City. Thinks city should add more money to the project, that the city had been spending the money from the cove for other areas. Now they should spend money from somewhere else in the city for benefit of the cove.

Jules (inaudible on tape) – Cathedral City. Cove resident. Expressed her dissatisfaction – seeing that here property taxes may be doubled. I don't want to move, I don't care about property values, I'm at the top of the cove, my septic tank is 50 years old, and it will be four years before they get to me, will I have to replace my tank before the sewers get there? I think we need more time to get more funds before we move forward.

Mayor DeRosa closed the Public Hearing and directed the City Clerk to go and count the votes. The meeting will continue from where we left off.

PUBLIC COMMENTS

Bill Cohen – Cathedral City. Mr. Cohen reported that Pam is resting uncomfortably at the care facility and wishes she could come home. He just can't do that until he has better arrangements. He also advised that C.O.P.S still have a lot of T-shirts for sale, and took this opportunity thank Mayor DeRosa and Council for the very nice event last Saturday to honor the volunteers in the City. Mayor DeRosa expressed her pleasure and thanked all those for coming.

Seeing no one else wishing to speak the Mayor closed the Public Comments.

AGENDA FINALIZATION

There are no items to be pulled from the Agenda, however Item 4 from the Consent Agenda, filling vacancies for our Commissions, the Deputy City Clerk will announce the names of those applicants who were successful in being appointed to a Commission.

COUNCIL COMMENTS

Council Member Marchand wanted to adjourn tonight in memory of all the service members who have died in Iraq and Afghanistan, and also to a long time, and frequent visitor in the desert, Anne Bancroft.

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Mayor DeRosa took time to congratulate Gabby Mendosa, one of our Police Officers who was honored by Viva Magazine for being one of 20 women under 40, who have advanced in their careers and doing things for their communities. Mayor also commented about the two Memorial Day celebrations, that she and Council attended. She also reported about several commissions she sits on.

MINUTES

Council Member Marchand requested a correction to the minutes of Wednesday May 25, 2005 with regard to adjournment. The name of the gentleman who we adjourned in memory of was Ismail Merchant. Mayor DeRosa accepted the minutes as corrected.

CONSENT AGENDA

Council Member Marchand moved approval of the Consent Agenda, motion seconded by Mayor Pro Tem Pettis, motion carried 5-0.

1. Authorized staff to execute a Service Provider Agreement with Quality Code Publishing for Municipal Code Services **by Minute Order # 3901.**
2. Approved extension of Memorandum of Understanding (MOU) by and between the Redevelopment Agency and Palm Springs Nissan for the expansion of the dealership in Cathedral City Auto Center **by Minute Order # 3902.**
3. Approved extension of Memorandum of Understanding (MOU) by and between the Redevelopment Agency and Tri-millennium Properties, LLC for Phase III, located south of the wash, west of Date Palm Drive, and north of East Palm Canyon Drive and East of Monty Hall **by Minute Order # 3903.**
4. Approved appointment of members to fill vacancies on various City Commissions and Committees **by Minute Order # 3904.** The Deputy City Clerk read a list of appointments for the various Commissions into the record as follows:

Streets & Transportation Commission

James Navarro – Reappointment

Art Gregiore – Appointment

Public Arts Commission

Nikki Reisman – Reappointment

Richard Martinez – Reappointment

Parks & Recreation Commission

Vikki Oltean - Reappointment

Roger Culbertson – Reappointment

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Riverside County Library Board

Judy Miller – New Appointment

5. Approved Tract Map No. 32559: Rio Vista Village Specific Plan area: Approved Final Tract Map, located north of Rio Largo Road and west of Rio Madre Drive, Rio Vista Nevada, LLC **by Minute Order 3905.**
6. Approved addendum to the Environmental Impact Report prepared for the City of Cathedral City Comprehensive General Plan (General Plan Amendment 02-78), related zoning map amendments and Downtown precise plan amendment **by Resolution No. 2005-47.**
7. Authorized the City Manager/Executive Director to vote affirmatively for Coachella Valley Mosquito and Vector Control District proposed Assessment District for Red Imported Fire Ant Program and to provide better response to West Nile Virus and other public health threats (on all City or Redevelopment Agency owned affected properties) **by Minute Order # 3906.**
8. Approved awarding contract to the Jarvis Company for the construction, removal and storage of the Town Square Holiday Tree and decorations for the 2005 Holiday Season **by Minute Order # 3907.**
9. Approved awarding contract to Holiday Lighting Design for the acquisition of materials, installation, removal and storage of Holiday Tree Lighting for the 2005 Holiday Season **by Minute Order # 3908.**

PRESENTATIONS & PROCLAMATIONS

Mayor DeRosa advised that we needed to go back and do some Presentations before proceeding with this meeting.

Mayor DeRosa asked that Council Member England and Mayor Pro Tem Pettis make some presentations. Mayor DeRosa asked Carols Rodriguez and David Franz to come forward.

Council Member England advised that we had the honor this evening of recognizing two of our employees who have gone above and beyond the call of duty. These gentlemen work for our Public Works Department, and recently while filling some pot-holes they assisted someone just passing our community. The daughter of the driver of the car jumped out of the vehicle and started running around in the traffic. The driver hollered out for assistance. In turn our employees responded to the cries for help and assisted the daughter who had fallen in the street. They determined that the daughter needed assistance from the paramedics. They assisted this family and we are proud of them, these kind of efforts make this city a special place to live.

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The lady wanted to thank the council for your efforts and the council in turn wanted you to be recognized with certificates of commendation. Thank you both so much.

PUBLIC HEARINGS

11. Adopt resolutions of the Cathedral City ("City"), Cathedral City Public Financing Authority ("PFA") and the Cathedral City Redevelopment Agency ("RDA"), approving the issuance and delivery of the not to exceed \$75,000,000 Public Financing Authority Senior Hotel Revenue Bonds, Series 2005A and the not to exceed 5 million dollars Taxable Subordinate Hotel Revenue Bonds, Series 2005B in the aggregate principal amount not to exceed \$80,000,000 for the purposes of section 147(F) of the Internal Revenue Code of 1986, as amended; authorizing the execution and delivery of trust Indentures, a preliminary official statement and Redevelopment pledge agreement and authorizing certain other actions in connection therewith for the purposes of loaning the proceeds to the City Urban Revitalization Corporation ("CURC"), to develop a conference center hotel in the downtown corridor.

A brief report from Tami Scott, Finance Director, explaining the reason for this

City Attorney Charles Green clarified actions taken during the closed session on a motion by Mayor Pro Tem Pettis, seconded by Council Member Vasquez the Council approved a resolution as presented by staff, authorizing the purchase of taxable subordinate hotel bonds (Series 2005B) in an amount not to exceed 1.5 million **by Resolution R-414**

Public Comments were opened and closed without comment.

The Finance Director then answered questions about when the bonds would be sold.

Council Member Marchand moved adoption of **1) City of Cathedral City Resolution No. 2005-49; 2) Adopt Public Financing Authority Resolution No. PFA-18; and 3) Adopt resolution of the Redevelopment Agency Resolution R-415**, motion seconded by Council Member England, motion carried 5-0.

LEGISLATIVE ACTION(S)

12. Approval to modify signals to improve traffic flows by 100% between Cathedral Canyon Drive and Date Palm Drive, relative to the Downtown East Palm Canyon Drive Traffic Signals.

There was a report by Robert Mohler, Engineering Department on how to improve the traffic flow in the downtown area. There have been several traffic studies done, we have been to the Streets and Transportation Commission.

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A report was also given by the Hui Lai of Traffic Safety Engineers. The traffic Signal modifications are recommended to lessen signal delays and improve traffic flows By 100% in the 1/2 mile long downtown corridor between Cathedral Canyon Drive and Date Palm Drive.

Mayor DeRosa wanted to ask why they didn't want to turn off traffic signals rather than left hand turns? Chief Henry offered some input on how that might affect pedestrians. Left turns will still be allowed, during a break in traffic. A number of questions were answered by Mr. Mohler. Mayor Pro Tem Pettis had questions about Allen Street being closed during construction, that was answered in the affirmative. Mr. Pettis also had concerns about turning left at Buddy Rogers. Council Member England asked why there will be new traffic controllers? Some are outdated, some or problematic and new controllers will be able to synchronize all those signals. Also the manufacture no longer supports the equipment that we have. Council Member Vasquez wanted to ask if we were making it more difficult for the people in the cove when they come and go. The answer was that they could not use C Street any more to get out of the cove, this will increase traffic on E. Palm Canyon. Mr. Vasquez doesn't want to create problems for the people in the cove by trying to solve problems on East Palm Canyon with limiting the cove residents ability to exit.

Mayor DeRosa wanted to hear from the Streets and Transportation Commissioners to see what they had to say. Commissioner Bill Baker advised that they went to the meeting with the same sympathies that the Council had, they would have liked to have gotten rid of all of those lights if they could have. Mr. Lai gave us some cogent arguments as to why this we shouldn't be done. We viewed the vote to unanimously approve Mr. Lai's recommendations more or less as a testing period. If it works that's great, we also are concerned with access to the cove. We think this is a good time, in our slow season traffic wise, I think it is a good testing period. Let's put our toe in the water and see if it works.

Mayor DeRosa opened the floor for Public Comments.

The following people spoke against this plan, most of their concerns were with the access in and out of the cove. One felt that heavily congested areas in Los Angeles were considering adding protection with left turn signals, while we were suggesting turning them off. One felt that the city should have considered widening the highway to six lanes, or else making it one big parking lot. There were several suggestion on re-routing traffic.

Ken Owens – Cathedral City
Jim Mewes - Cathedral City
Richard Martinez – Cathedral City
Al Glenncross – Cathedral City

Michael Collins – Cathedral City
Robert Marchand – Cathedral City
Dennis Sperling – Cathedral City
Allen Merelli – Cathedral City

Council Member England asked that if this plan didn't work, would the new controllers help us move the traffic? Mr. Moeller said the quick answer is yes.

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Mayor DeRosa asked several questions of Chief Henry. Mayor Pro Tem is uncomfortable with the proposal for Cathedral Canyon. Council Member Marchand had several questions: If we decide to try this out for a certain amount of time, and it doesn't work out, can we turn the left signals back on? Can we preserve those protected left turn arrows in several of those areas? The answer was yes. Mr. Lai said that if we left some of these protected signals on it would affect east/west flows considerably.

Council Member England moved approval of this action, motion seconded by Council Member Marchand. Mr. England expressed some reservations, suggesting that we review these actions 90 days after their implementation. Both Council Members England and Marchand feel this needs to be reviewed by the Streets and Transportation Commission every step of the way. Motion carried 3-2 **by Minute Order # 3909**. Council Member Vasquez and Mayor DeRosa voted in the negative.

13. Adopt resolution of the City Council for the City of Cathedral City, approving the Housing Replacement Plan for the Desert Hills Mobile Home Park.

A report was made by Housing Manager Warren Bradshaw.

Public Comments were opened and closed without comment.

Council Member Marchand move adoption of the resolution, motion seconded by Council Member England, motion carried 5-0 **by Resolution No. R-416**

Mayor DeRosa advised that the Council will return to item 10, as the City Clerk is ready to give the balloting results.

Item 10 (Continued). The City Clerk was asked to read the results of the balloting into the record. The official counts are as follows:

1022 votes cast

76 Invalidated ballots, either not signed, or not voted, or both

13 Duplicates

10 Changed votes

The YES vote 549 ballots, \$11,492,630.69 58%

The NO vote 374 ballots, \$ 8,493.133.47 42%

Mayor Pro Tem Pettis moved adoption of the resolution of the City Council for the City of Cathedral City for the formation of the Cove Improvement District No. 2004-02, adopting the Engineer's Report, confirming the assessment, ordering the improvements and directing related actions thereto, Motion seconded by Council Marchand, motion carried 5-0 **by Resolution No. 2005-48**.

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14. Approval of extension of Memorandum of Understanding (MOU) by and between the Redevelopment Agency and Stewart Family Properties for the potential expansion of the Cathedral City Auto Center.

A report was given by Paul Shillcock, Economic Development Manager. There are no changes in the terms or conditions, just additional time is proposed.

City Attorney Green advised that if council moved to approve the extension to the MOU that the agreement carry wording that the agency staff be permitted to have discussions with affected owners in that area, because there is now some interest in presenting alternative proposals from the property owners.

Mayor DeRosa opened Public Comments.

Steve Lyle – Palm Springs. Mr. Lyle wanted to show a plan that the rest of the speakers will be talking about. I am the Property Manager, the leasing agent and The Development Consultant for the Tramview Land Company. We want to introduce a proposal called Tramview Village. Mr. Lyle believes his proposal is a better use for the proposed development and wishes that the MOU not be extended or that they may be allowed to offer their proposal to the agency staff. We want to talk with the city about our ideas.

Susan Seymor – Rancho Mirage. Ms. Seymor doesn't want the city to take any more of their property, their family has owned that property for 50 years. I grew up in the house, and my Mother and Aunt live there and they rely on the income from that property to survive. She urged the Council not to approve the extension on the MOU.

Thomas Hollister – San Ramon. Mr. Hollister is also an owner of the Tramview land and urged the Council not to extend the MOU. They have worked with the city, we have kept the property occupied, we have given rent concessions. I think that all the MOU does is shut out other people, and I urge you not to approve the extension of the MOU.

St. Clair Adams – Cathedral City. An MOU is a matter of trust, and there is a competitive process in this city. Let's hope that an equal medium can be met on this whole thing.

Don Stewart – Stewart family Properties. I originally asked for 180 day MOU and was limited to just 90 days. I felt that an auto dealership needs to be in the area. Originally I had an auto dealer that wanted six acres of land and a 60,000 square foot facility. I didn't think I could accommodate the six acres and I didn't want to build a 60,000 foot building, therefore I was going to allow the MOU to expire. The dealer has come back to me and is willing to reduce his requirements, so I requested the extension of the MOU. I think that there is a lot of emotion involved in this, so I ask that you all do what every you think is right.

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Seeing no one else wishing to speak, Mayor DeRosa closed Public Comments.

City Attorney Charles Green offered some insight into the purpose of the MOU, and they are extremely common and the need to spend some money to develop plans into a concept that than can be evaluated to see it a project is feasible. An MOU is not a commitment on the City's part, and I believe that the other property owners should be able to speak with the agency staff.

Council Member England asked several questions of Mr. Lyle, namely would they be ready to present something to the city and in what time frame? Mr. Lyle also answered Mr. England's questions about the kind of restaurants he might bring forward in his proposal. Mr. Lyle responded that if the MOU was extended tonight he wanted to talk about the other property in the area.

Council Member Marchand asked for clarification of several items from the City Attorney.

Council Member Marchand moved to approve extension of the MOU understanding with the Stewart Family Properties for 90 days, with specific provision that existing affected property owners as exempt from the provisions prohibiting Agency discussions with third parties. Motion seconded by Council Member England, motion carried 5-0 **by Minute Order # 3910.**

The Council adjourned to the Closed Session to complete the agenda at 9:05 p.m.

The City Council returned from Closed Session at 9:42 p.m. Charles Green, City Attorney advised that there were no additional reportable items.

ADJOURNMENT

The meeting was adjourned at 9:43 p.m. in memory of the Service personnel who have given their lives in Iraq and Afghanistan, also in memory of a long time desert visitor who passed away this week, Anne Bancroft.

Pat Hammers, CMC
City Clerk